GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3407
ANSWERED ON:06.12.2016
Indian Capital Goods Sector
Shinde Dr. Shrikant Eknath

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government had launched a scheme with an estimated outlay of Rs. 930.96 crore to make the Indian capital goods sector globally competitive;
(b) if so, the criteria/requirements fixed by the Government for providing grant under this scheme;
(c) the number of proposals received under the scheme during the last two years along with the details of the proposals approved by the Government;
(d) the details of the grant disbursed so far by the Government under the scheme;
(e) whether the Government has fixed any target for increase in growth in capital goods production and employment and manufacturing sector; and
(f) if so, the details thereof and the achievements made so far in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BABUL SUPRIYO)

(a): Yes Madam. A Scheme for Enhancement of Competitiveness in the Indian Capital Goods Sector has been notified on 5/11/2014 by the Department of Heavy Industry (DHI).

(b): The Scheme has four Infrastructural Components namely (1) Setting up Central of Excellence for Technology Development (CoE), (2) Integrated Industrial Infrastructure Facility (IIIF), (3) Common Engineering Facility Centre (CEFC) and (4) Test and Certification Centre (T&CC). The Scheme also has a Component for Financial Intervention by way of Technology Acquisition Fund Programme (TAFP).

Different Eligibility Conditions are in place for different component of the Scheme. While for CoE Component, National Centres of Excellence in Education and Technology such as Indian Institute of Technology, Central Manufacturing Technology Institute, Bangalore etc. are eligible, for IIIF and CEFC Components Special Purpose Vehicle (SPV) formed by local Industries, Industry Associations Central/ State Government etc are eligible. For T&CC Component SPV will be formed by DHI. For TAFP Component, Capital Goods manufacturing Unit or their Consortium are eligible to receive financial Support for acquisition or transfer of technology. Detailed Scheme Notification indicating, inter-alia, Eligibility Conditions is available in the Department of Heavy Industry Website (dhi.nic.in)

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(c) & (d): During last two years of 28 proposals have been received under the Scheme (CoE- 7, CEFC- 4, IIIF- 1, TAFP- 16). Out of this proposals 13 Proposals under different components of the Scheme have been approved as under :

(1) Development of Hi-tech Shuttle-less Loom in CMTI, Bangalore under CoE Component. Project outlay- Rs. 20.00 crore. Government of India (GoI) Grant- Rs. 16.00 crore. Grant in Aid released so far is Rs. 5.2366 crore.
(2) Development of 11 Machine Tool Technologies in IIT Madras under CoE Component. Project Outlay- Rs. 56.12 crore. GoI Grant- Rs. 44.75 crore. Grant in Aid released so far is Rs. 12.2149 crore.
(3) Development of 3 welding Technologies in PSG College of Technology, Coimbatore under CoE Component. Project Outlay- Rs. 26.7 crore. GoI Grant- Rs. 21.1 crore. Grant in Aid released so far is Rs. 12.79crore.
(4) Development of Smart Submersible Pumps by Scientific and Industrial Testing and Research Centre, Coimbatore under CoE Component. Project Outlay- Rs. 8.41 crore. GoI Grant- Rs. 6.72 crore. Fund is yet to be released.
(5) Setting up a CEFC near Chakan, Maharashtra by TAGMA Centre of Excellence of Training for Tools, Moulds and Dies Industry in the region around Pune. Project Outlay- Rs. 51.91 crore. GoI Grant- Rs. 26.27 crore. Grant in Aid released so far is Rs. 8.18 crore.
(6) Setting up a Training Centre for Machine Tools by HMT Machine Tools Limited in Bangalore under CEFC Component of Scheme. Project Outlay- Rs. 0.97 crore. GoI Grant- Rs. 0.776 crore. Grant in Aid released so far is Rs. 77.6 lakh.
(7) Setting up a High end specialised Training Centre for Metallurgy, Welding, Gear Manufacturing and Non Destructive Testing by HEC Limited in Ranchi with Russian collaboration under CEFC Component of Scheme. Project Outlay- Rs. 50.00 crore. GoI Grant- Rs. 30.00 crore. Fund is yet to be released.
(8) Setting up a CEFC near Surat, Gujarat by Science, Engineering & Technology Upliftment Foundation for Textile Machinery Industry. Project Outlay- Rs. 50.27 crore. GoI Grant- Rs. 27.81 crore. Fund is yet to be released.
(9) Setting up a Machine Tool Park in Tumkur, Karnataka under IIIF Component in Collaboration with Government of Karnataka. Project Outlay- Rs.421.00 crore. GoI Grant- Rs. 125.00 crore. Fund is to be released.
(10) Development of Four Guideway CNC lathe by HMT Machine Tools Limited under TAFP Component. Project Cost 4.40 crore, GoI Grant Rs. 1.10 crore. Fund is yet to be released.
(11) Development of Four Guideway CNC lathe by HMT Machine Tools Limited under TAFP Component. Project Cost 1.52 crore, GoI

Grant Rs. 0.38 crore. Fund is yet to be released.
(12) Manufacturing of Allied Engineering Pvt. Ltd. under TAFP Component. Project Cost 14.98 crore, GoI Grant Rs. 3.75 crore. Fund is yet to be released.
(13) Development of cutting edge Robotic Laser Cladding Technology for Hydro Power Turbines by Industrial Processors & Metallizers Pvt. Ltd. under TAFP Component. Project Cost 9.47 crore, GoI Grant Rs. 1.24 crore. Fund is yet to be released.

(e) & (f): The Government has not fixed any target for Capital Goods production. However, National Capital Goods Policy envisages to achieve production level of Capital Goods in excess of Rs. 750,000 crore and to direct domestic employment in the sector to 5 million from the present 1.4 million by 2025.

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